

FACTS ABOUT MANUFACTURED HOME COMMUNITIES

Over 180,000 Minnesota residents live in almost 1,000 manufactured housing communities. For many persons, these communities represent the primary or only affordable housing option. Though manufactured housing communities are often called “mobile home parks,” the homes are rarely moved after installation (and if so, only at great expense). Though most residents of such communities own their homes, they pay rent on the lot beneath their homes.

- **Investor-Owned Communities.** In investor-ownership model, community owners typically have little incentive to invest in the communities and strong incentives to lower costs (by deferring maintenance, repairs, or improvements). Since manufactured homeowners often cannot readily afford to relocate their homes, community owners take advantage of this ‘immobility’ by raising lot rents regularly, even if operating costs do not increase.
- **Tenuous housing.** Residents of investor-owned manufactured housing communities are among the most vulnerably housed, because they are at risk of closure and redevelopment.
- **Community Perception.** Manufactured housing residents constantly live under the “trailer park” stigma because of the aesthetics of the units, deferred maintenance of the communities, or the economic status of the residents. The community at large often sees manufactured home communities as an “eyesore” rather than a vital community asset.

What does resident ownership deliver?

- **Security.** Once a community is resident-owned, the community can no longer be closed and sold for redevelopment without resident consent. Any decision to sell the property would be the decision of its residents.
- **Resident Governance.** Through their elected Board of Directors, residents oversee community management and operations, decide which improvements to make, determine community rules, and screen applicants for membership.
- **Incentives Toward Investment.** Once their property is resident-owned, residents have an incentive to improve and invest in their park.
- **Operation at Cost.** A resident-owned community, by definition, charges its residents only what is necessary to pay the mortgage, operating expenses, fund reserve accounts, and pay for community improvements. Over time, homeowners in resident-owned communities pay less for a better-maintained community than their counterparts in investor-owned communities.

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- **Opportunity for Wealth Creation.** In some markets, especially where resident ownership is more widespread, the advantages delivered by resident-ownership can translate into higher resale value for the homeowner (compared to what they could sell their homes for in an investor-owned community).
- **Opportunity for Civic Skill Building.** Residents are able to enhance their civic engagement skills by running for the Board, serving on committees, reviewing budgets, and overseeing the employees, professional management companies and vendors.

General Statistics:

- Over 2.9 million manufactured homes in the U.S. are on leased land.
- The vast majority of manufactured homes are never moved from their original installation site.
- There are about 55,000 manufactured housing communities nationwide. Of these, 1,000 manufactured home parks nationwide are owned by their residents.
- In a 2002 Foremost Insurance Group survey of park residents, 59% had lived in and owned their home for over ten years. Over half of those had lived in their home 20 years or more. Six percent of residents had moved their home in the past three years.